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AUG 27 2024

CLERK U.S. BANKRUPTCY COURT
Central District of California
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**UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA – Santa Ana Division**

In re
The Litigation Practice Group, P.C.,
Debtor.

Case No. 8:23-bk-10571-SC

Chapter 11

**ORDER AND MEMORANDUM
DECISION DENYING
APPLICATION FOR
ADMINISTRATIVE CLAIM OF
JAYDE TRINH**

Date: July 17, 2024
Time: 11:00 a.m.
Ronald Reagan Federal Building &
U.S. Courthouse
Courtroom 5C
411 West Fourth Street
Santa Ana, CA 92701

Before the Court is the “Motion of Phuong (aka Jayde) Trinh for an Order Granting Allowance and Payment of Administrative Claim, Pursuant to 11 U.S.C. Section 503(b)(1)(A)(i)” (“Application”) [Dk. 675]¹ filed by Phoung (aka Jayde) Trinh (“Jayde”), which came on for hearing on July 17, 2024. Appearances are as noted on the record.

¹ Unless otherwise indicated, references to “[Dk. X]” refer to the main docket in this bankruptcy case. References to pleadings filed in related adversary proceedings shall include the last four digits of the adversary number and referenced docket number: e.g., “[1046 Adv. Dk. X]”.

1 Based upon the Application, the evidence listed below,² and the docket as a
2 whole, the discussion on the record, and as set forth in detail below, the Application is
3 DENIED.

4 **I. Background – Litigation Practice Group, P.C.**

5 The Litigation Practice Group (“LPG” or “Debtor”) filed its Chapter 11 bankruptcy
6 on March 20, 2023 (“Petition Date”). Through the various proceedings and evidence
7 produced in both the main case and the various adversary proceedings, including but
8 not limited to various Motions for Temporary Restraining Orders, Preliminary
9 Injunctions, Motions to Dismiss, a Motion for Appointment of a Chapter 11 Trustee, a
10 Motion to Sell Assets, a multitude of pleadings filed by both secured and unsecured
11 creditors (supported by evidence presented under oath) in support of their claims, and
12 especially the pleadings and evidence presented by the “Watchdog of the Bankruptcy
13 System” aka the Office of the United States Trustee (an arm of the United States
14 Department of Justice), *it is clear to this Court that Debtor, since its pre-petition*
15 *inception (and through the time of the appointment of the Chapter 11 Trustee) was, in*
16 *this Court’s opinion, operating a criminal enterprise.* It is also clear to this Court that
17 the administrative claim sought by Jayde is not supported by the evidence before the
18 Court as the evidence provided by Jayde is based on declarative evidence arising from
19 herself, principals of Debtor, operators of Greyson, and operators of Debtor’s previous
20 illegal or unethical pre-petition activities, and is simply unconvincing, fabricated,
21 and/or uncredible to this Court.

22 The Court also finds that Greyson Law Center, PC (“Greyson”) and the two
23 related Administrative Claim Applicants, Phuong (aka Jayde) Trinh (“Jayde”) and Han
24

25
26 ² Movant’s counsel, at the July 17, 2024, hearing, requested that the Court consider the declaration of
27 Daniel March [Dk. 501], filed in connection with Greyson’s Reply to Trustee’s Opposition to Greyson’s
28 Motion to Vacate the Lockout/Preliminary Injunction Order, to be a part of these proceedings. The Court
agreed to the request. Additionally, as the Court is considering the docket as a whole, this Order
references pleadings filed or entered in connection with other matters. To the extent the Court cites to any
evidence to which an evidentiary objection was asserted, those evidentiary objections are overruled or as
otherwise set forth in entered orders. The evidence is given the weight it deserves.

1 Trinh (“Han”) (together, the “Trinhs” or “Trinh Sisters”), were closely associated with
2 the fraudulent, unethical practices of Debtor, and that Greyson was a byproduct entity
3 spun-off from Debtor with the direct assistance of the Trinhs. As Debtor’s enterprise
4 spiraled out of control from fraudulent, unethical mismanagement, as well as possible
5 criminal activities, the evidence demonstrates that the Trinhs were powerful employees
6 of Debtor who in the end disembarked from Debtor’s sinking ship and participated in
7 significant aspects of the creation and management of Greyson.

8 Pre-petition, Debtor was a law firm that allegedly provided consumer debt
9 resolution services on a nationwide basis, with client files numbering in the several tens
10 of thousands, if not more.³ To be clear, operations of law firms with a declared specialty
11 of assisting consumer debtors with financial difficulties are not normally criminal
12 enterprises. The distinction to be made is *how* any law firm, and its lawyers and staff,
13 operates the legal services entity, as well as its truly intended purpose.⁴

14
15 ³ It is important to note that this Court has never received any significant and trustworthy evidence that
16 Debtor accomplished meaningful results for its clients, but only anecdotal examples of viable success for
17 its clients. By reviewing the Estate’s claims register, there is evidence of consumer claims for the fraud and
18 demanded but undelivered refunds of approximately \$500 million. There is ample evidence that the pre-
19 petition Debtor never placed the collected funds into an attorney-client trust account, and that Debtor or
20 its principals simply looted the payments received through the client automatic withdrawals, stiffing both
21 the clients and outside attorneys who may have been working on client cases with the hopes of being paid.
22 There is also evidence before the Court that Debtor was running a Ponzi scheme and paying some outside
23 (or “network”) attorneys with funds obtained from new clients. In this case, it appears that some of the
24 “lenders” may have been serving as “investors,” hoping for very high returns before “the music stopped.”
25 The Ninth Circuit has recently explained, “[b]y definition, a Ponzi scheme is destined to fail because the
26 pool of available investors is not limitless. When the Ponzi scheme operator’s pool of investors inevitably
runs dry, the scheme collapses and the swindler and their entities often end up in bankruptcy or equitable
receivership. *See generally* David R. Hague, *Expanding the Ponzi Scheme Presumption*, 64 DePaul L.
Rev. 867 (2015). In bankruptcy, the court-appointed trustee is tasked with taking immediate control of
the entity, ceasing ongoing fraudulent activity, locating and collecting assets for the bankruptcy or
receivership estate, and achieving a final, equitable distribution of the remaining assets. *See* 11 U.S.C. §
704.” *Kirkland v. Rund (In re EPD Inv. Co., LLC)*, 2024 U.S. App. LEXIS 21363, at *15 (9th Cir. Aug. 23,
2024). Finally, there is evidence that Debtor was encumbering (or as some creditors assert, “double or
triple selling”) their accounts or receivables to multiple lenders. With respect to Greyson’s requested
Administrative Claim before the Court, there has been no evidence presented that any work allegedly
performed by Greyson assisted any clients or added any value to the Estate. This will be further explained
in this decision.

27 ⁴ This, of course, was the early major concern raised by this Court, the Office of the U.S. Trustee, and
28 proponents of allowing Debtor to remain in Chapter 11 as a going concern after the appointment of the
Chapter 11 Trustee on May 8, 2023. Straightforwardly, the Court and others had to consider whether a
business (the law firm) could be operationally reformed by the Trustee to morph into strict compliance

1 Through a system of advertising and a network of referring lawyers throughout
2 the country, this Debtor “signed up” clients facing significant financial difficulty and
3 promised results (i.e. meaningful relief from creditor pressure) with a full money-back
4 guarantee. *See* Adv. 24-01011, Dk. 104-1, Decl. Nancy Rapoport, ¶ 7. As more explicitly
5 stated below, Debtor’s unethical and most likely illegal enterprise was in operations at
6 all times prior to the appointment of the Trustee. Once a client was signed up, the client
7 was required to pay Debtor, primarily through the automatic system of monthly
8 withdrawals controlled by Debtor from the clients’ bank accounts. Like almost every
9 streaming system in the country, the automatic withdrawals were made monthly, where
10 it is made difficult for the consumer to cancel or “make it stop.”⁵

11 An important protection (perhaps one of the most important protections)
12 afforded clients represented by lawyers requires that funds paid lawyers must be
13 maintained in a client trust account until earned. Debtor did not provide this protection.
14 The Court has evidence from both the reports filed by the Trustee, the schedules and
15 statements of financial affairs presented by Debtor, and the State Bar of California
16

17 with various state and federal laws that regulate law firm/lawyer operations as well as consumer
18 protection regulations. The U.S. Trustee vigorously, honestly, and in good faith advocated that Debtor
19 (pre-appointment of the Trustee) should be sent to the dust pile of all illegally or unethically operated law
20 firms. The Trustee, vigorously, honestly, and in good faith, advocated that the law firm be reformed and
21 then monetized for the benefit of the creditors of the bankruptcy Estate. After careful consideration, and
22 with significant consideration of all creditors, including the over 40,000 consumer creditors/clients of
23 Debtor, the Court provided the Chapter 11 Trustee and the Committee of Unsecured Creditors with the
24 opportunity to (1) end the illegal practices of Debtor and (2) attempt to recapture estate value and provide
25 recovery to the creditors of the Estate. At the time of this writing, the Court, through various status
26 reports, the reports of a Court Appointed Ethics Compliance Monitor, and the pleadings and evidence
27 presented to it throughout this case, concludes that at least the first goal may have been reached.
28 Concerning the second goal (creditor recovery), the Court and the creditors still await revealing results.

⁵ Streaming enterprises didn’t invent this process. For those senior enough to remember, the “Book of the Month Club” and various iterations (including hard copy Encyclopedia sales, where the companies “sold” the stream of books arriving each month and immediately sold the monthly payments to a third party) developed the highly successful automatic invoicing process, which if ignored would result in massive bill collector harassment and legal judgments to the unsuspecting consumer. Gym memberships were sold, and their accounts were laid off, in a similar fashion. These activities eventually resulted in the passage of the Fair Debt Collection Practices Act (FDCPA), 15 U.S.C. § 1692 –1692, which was approved in 1977 (and subsequently amended). It is a consumer protection law, attempting to prevent abusive debt collection practices. The Act created guidelines under which debt collectors may conduct business, defines rights of consumers involved with debt collectors, and prescribes penalties and remedies for violations of the Act.

1 (received pursuant to Judicial Notice) that almost all of the funds which were not
2 transferred to complaining secured creditors or unhappy “network” counsels (to placate
3 them just enough) may have been looted by the principal or principals controlling the
4 pre-petition Debtor.

5 Richard Marshack (“Marshack” or “Trustee”) was appointed as Chapter 11
6 Trustee on May 8, 2023, following the entry of an order directing the United States
7 Trustee to Appoint a Chapter 11 Trustee. *See* Order [Dk. 58]. Shortly after his
8 appointment, on May 25, 2023,⁶ the Trustee filed an adversary complaint alleging that
9 Debtor was secretly being operated by a California disbarred attorney, Anthony Diab
10 (“Tony Diab” or “Diab”) and operating in a manner inconsistent with federal and state
11 law. As alleged by the Trustee, Diab created a web of affiliated businesses designed to
12 locate and funnel clients who were victims of predatory lending or subject to
13 uncollectible debts to various other law firms, which were either alter egos or
14 significantly connected to Debtor.

15 Greyson and Phoenix Law, P.C. (“Phoenix”) were among the entities originally
16 identified in the Trustee’s complaint as alter egos.⁷ The complaint also alleged that at or
17 around the Petition Date, Diab transferred approximately 40,000 files to Phoenix.
18 Greyson serviced some of those clients.⁸

19 Phoenix returned all the client files it had received from Debtor back to Debtor
20 pursuant to a Stipulation for Judgment (1) Avoiding, Recovery, and Preserving
21 Transfers to Defendant, Phoenix Law Group, Inc., (2) Turning Over All Transferred
22 Property to Trustee and (3) Dismissing Without prejudice Defendants William Taylor
23

24 ⁶ The adversary proceeding was filed without notice to parties based upon the assertion of exigent
25 circumstances, and the entry of a temporary restraining order issued the next day, on May 26, 2023 [1046
26 Adv. Dk. 13, amended at 1046 Adv. Dk. 21]. The adversary proceeding was subsequently numbered 8:23-
ap-01046-SC and a preliminary injunction was subsequently issued on June 23, 2024 [1046 Adv. Dk. 70].

27 ⁷ *See* ¶ 59 of the complaint. The Trustee subsequently revised his allegation as to the alter ego status of
Greyson in the amended complaint filed June 15, 2023 [1046 Adv. Dk. 62].

28 ⁸ *See* ¶ 61 of the complaint.

1 Carss and Marie Eeya Tan filed June 27, 2023 (“Avoidance Stipulation”) [1046 Adv. Dk.
2 77], approved after a hearing held on July 21, 2023, by an order entered August 7, 2023
3 [Dk. 365].⁹ Pursuant to the Avoidance Stipulation, its parties agreed that the transfers of
4 client files and all material and property related thereto including but not limited to,
5 payments, communications, and documents to Phoenix were fraudulent and the Trustee
6 was entitled to judgment avoiding, recovering, and preserving, the transfers pursuant to
7 11 U.S.C. § 547, 548, and 550.

8 The Avoidance Stipulation further provided, *inter alia*, that:

9 Any and all liability whether at law or equity relating in any way to Phoenix’s
10 handling of the Transfers including the Files that arose or came into existence
11 following the date of their transfer to Phoenix until Trustee closes a court-
12 approved sale to a third-party buyer (“Post Transfer Claims”) will remain with
13 Phoenix. Phoenix, Mr. Carss, and Ms. Tan shall use their best efforts to cooperate
14 with Trustee and his retained professionals to provide services to the clients until
closing, and nothing herein shall impose or create any liability for Post Transfer
Claims on Trustee or Debtor’s Estate.

15 Avoidance Stipulation, ¶4 [1046 Adv. Dk. 77].

16 The Trustee moved for the sale of the business, which sale was approved by an
17 order entered August 2, 2023 [Dk. 352].¹⁰

18 Later, Jayde filed her Application on November 17, 2023¹¹ [Dk. 675]. The
19 Application seeks payment of a total of \$112,825.14, consisting of (1) \$52,884.64 in
20 wages, (2) \$28,846.15 in penalties, and (3) \$31,094.35 in accrued vacation.

21 The Trustee filed an opposition to the Application [Dk. 1104], to which Jayde
22 replied [Dk. 1124]. The Trustee filed a Sur-Reply [Dk. 1320], and a lengthy hearing was
23
24

25 ⁹ Mr. Plazak, Greyson, Han, and Jayde’s former counsel received NEF notice of the entered order.

26 ¹⁰ A Federal and State consumer law compliance monitor was appointed by the Court to monitor the
27 buyer’s compliance with various consumer protection requirements.

28 ¹¹ Jayde was originally represented by Doug Plazak, Esq. However, Jayde since employed new counsel,
Kathleen March, Esq. Ms. March filed the Motion on behalf of Jayde.

1 held on July 17, 2024, which included the opportunity of Movant’s counsel to reply at
2 that time.¹²

3 **II. Han Trinh, Jayde Trinh, and the Two Greyson Entities**

4 **A. Han Trinh and Jayde Trinh**

5 From January 2021 to December 2022, Han Trinh was the Legal Assistant for
6 LPG, and then in January 2023, Han became the Administrator of LPG. [See 1046 Adv.
7 Dk. 47-2, Decl. Han Trinh, ¶2]. Han asserts that when she first started working at LPG,
8 she earned an hourly rate of \$17.31, but by June 2, 2023, she was earning an annual
9 salary of \$300,000. [Dk. 674, Decl. Han Trinh, ¶ 7]. Jane Dearwester, an attorney who
10 previously worked for LPG, states in her declaration that Han was referred to as
11 “General Han” by Tony Diab and others at LPG and was somewhat feared by LPG’s staff
12 and attorneys with her “unlimited authority to manage the business of LPG and LPG’s
13 employees.” [See 1046 Adv. Dk. 493-4, pg. 2 at ¶8; Adv. Dk. 493-3, pg. 3 at ¶9]. An email
14 sent from Tony Diab to Han Trinh and Jayde Trinh refers to Han Trinh as “Gen. Han.”
15 [Adv 1046, Dk. 493-10, Ex. 49].

16 From November 30, 2020, Jayde Trinh asserts she was employed as a W-2
17 employee of LPG. [See Dk. 675, pg. 1:26-28]. As early as of October 2021, Jayde held
18 herself out to be the “General Counsel of LPG.”¹³ [See 1046 Adv. Dk. 493-4, pg. 2 at
19 ¶¶5,10]. Jayde asserts when she first started working at LPG, she earned an annual
20

21 ¹² At the beginning of the hearing, which was a consolidated hearing with the related administrative
22 claims by Greyson and Han, the Court advised the counsels that it had read every pleading and reviewed
23 all of the evidence provided by the parties *at least twice and had extensively studied the issues and*
24 *arguments of the parties*. The Court implored the counsels to limit their oral arguments to matters that
25 they did not include in their pleadings, and to not, step by step, repeat presentations of the evidence
26 before the Court. Unfortunately, the Court received over an hour and half of repetitive arguments, even
27 with reminders from the Court during that period to not simply repeat everything contained in the
28 pleadings and evidence. The Court received a complaint that it had allowed the Trustee’s counsel to
address, for under ten minutes, without interruption, its arguments. To this end, this decision attempts to
recite all the pleadings and evidence before it, with the caveat that if its written recitation has missed a
listing, all of the evidence and the pleadings have been considered. The parties should be assured that this
Court has carefully reviewed all of the pleadings and evidence before it.

¹³ Jayde was provisionally licensed by the California State Bar on December 2, 2020. [Dk. 1125, Decl.
Jayde Trinh, ¶33] and was admitted as an attorney to the California State Bar on November 24, 2021.

1 salary of \$120,000, but by June 2, 2023, she was earning an annual salary of \$250,000,
2 plus LPG repaid Jayde's student loans from law school [Dk. 675, Decl. Jayde Trinh, ¶7;
3 Dk. 1125, Ex. A, pg. 55]. Though Jayde's official title at LPG was "General Counsel" or
4 "Attorney," Jayde was also referred to as "Hammer Jayde" by Tony Diab [See 1046 Dk.
5 493-10, Ex. 49].¹⁴

6 The roles of Jayde and Han Trinh at LPG were described by Jayde in email
7 correspondence [See 1046 Adv. Dk. 493-3, Ex. 19]. Jayde, or "Attorney,"¹⁵ handled
8 "inquiries regarding litigation," "[o]ther questions that require authority," "settlement
9 reporting," and "liaison for Local Counsel." [Id.]. Han, or "Legal," was responsible for
10 locating clients or lawsuits, questions regarding legal docs, assigning local counsel, and
11 questions regarding client files. [Id.].

12 Jayde and Han Trinh were also heavily intertwined with Tony Diab. According to
13 the managing member of Marich Bein, Hershy Deutsch, who made frequent trips to
14 LPG's offices,¹⁶ Han shared an office with Diab, and she was considered "Diab's right-
15 hand person." [See 1046 Adv. Dk. 493-3, pg.3 at ¶9]. However, according to Mr.
16 Deutsch, it was evident to him that LPG and its employees did not just consider Han to
17 be "an extension of Diab" but rather a "top-level executive of LPG in her own right,"
18 even without an official title as such. [Id.].

19 The manner and behavior of Han and Jayde while employed for LPG has been
20 described for the Court, especially when LPG employees began resigning once they
21 learned of LPG's impending closure and the stoppage of payments to its employees. For
22 instance, when an employee, Rocio Prado-Garcia, sent Han a resignation email
23 explaining their inability to continue working while not having "gainful employment"

25 ¹⁴ An email sent from Tony Diab to Han Trinh and Jayde Trinh refers to Jayde Trinh as "Hammer Jayde."
26 [Id.].

27 ¹⁵ "Attorney" was known to be Jayde Trinh, and "Legal" was Han Trinh. [See 1046 Adv. Dk. 493-4, pg. 54
at Ex. 19].

28 ¹⁶ Hershy Deutsch made frequent trips to LPG's offices after Marich Bein and LPG entered into various
Assignment of Servicing Rights Agreements and Account Receivable Purchase Agreement in 2022.

1 and without being appropriately compensated, Han forwarded this employee's troubling
2 resignation email to Jayde (amongst other recipients) and stated, "Wanna bet she did
3 not write this herself?" [Dk. 493-10, Decl. Alex Rubin, Ex. 30, pg. 68]. In the same email
4 chain, Jayde in reference to another impending resignation of another employee
5 ("Anthony") stated "[h]e probably thinks we need them and if he takes them, then we'll
6 drown. LMAO. This is hilarious." [*Id.*].

7 Further, Han, in one instance, received an email from an attorney regarding
8 LPG's continual lack of payment for services performed and his unanswered phone calls
9 to Han. [See 1046 Adv. Dk. 493-10, Ex. 32]. In the email, the attorney detailed his
10 spouse's cancer spreading at a rapid rate, which had required immediate medical
11 attention at a local hospital, and how he had a small firm that could not absorb a write-
12 off of the overdue payment of \$35,383.66. [*Id.*]. Han, using her LPG credentials,
13 responded, "Please send the invoice to *admin@oakstonepc.com*. Thank you!" [*Id.*]
14 (*emphasis added*).

15 Again, on March 29, 2023, in a different email chain, Han sent Jayde a message
16 from an attorney (Randall Clark) regarding Mr. Clark's inability to give extremely
17 distraught clients information regarding their accounts being transferred from "LPG
18 Oakstone."¹⁷ [See 1046 Adv. Dk. 493-10, Ex. 40]. Jayde responded to the concerns by
19 stating, "Hans [sic] problem. She was supposed to call last week." [*Id.*].

20 On April 13, 2023, a different attorney reached out to LPG stating, "My fear is
21 that if Oakstone signs her [former LPG client] up and Phoenix begins billing her
22 account, she will be double-charged until this can be straightened out." [See 1046 Adv.
23 Dk. 493-10, Ex. 42]. This attorney's email was forwarded to Jayde and Han, to which
24 Jayde replied, "Linda, you need to text Han. Cause I'm pretty sure we can start but it's
25 not Oakstone. Clear up with her cause she changes sh*t (expletive modified) every other
26 day." [*Id.*].

27
28 ¹⁷ Oakstone is alleged by the Trustee to be an alter ego of LPG. [See 1046 Adv. Dk. 583].

1 This evidence presents a continual demonstration of their indifference to
2 concerned clients seeking debt resolution services, as well as their personal knowledge
3 of the asset transfers and manipulations of Debtor.

4 As the client transfers occurred from LPG to other entities, no one at LPG,
5 including Han and Jayde who had specific knowledge of the transfers (as evidenced by
6 LPG attorneys reaching out to the Trinhhs confused about the client transfers) informed
7 clients or the attorneys representing them of their completed or impending transfers.¹⁸
8 Debtor's clients rightfully became concerned when they began receiving notices in
9 January-February 2023 that they were now purportedly represented by the fraudulent
10 transferee law firms. [See Dk. 493-4, Decl. Dearwester, Ex. 11]. Clients involved in the
11 transfers had not signed substitutions consenting to their files being transferred. [*Id.*,
12 Ex. 13]. Attorneys began demanding answers about the sudden change, which is when
13 Han and Jayde began sending out new contracts to attorneys to sign with different
14 entities. [*Id.*, Dearwester Decl., Ex. 16].

15 An example of this chaos, in February 2023, an out-of-state attorney, Jane
16 Dearwester, began receiving emails from concerned LPG clients explaining they had
17 received communications that their client files were being transferred and/or sold to
18 Oakstone, Consumer, and Phoenix. [See 1046 Adv. Dk. 493-4, pg. 4: 22]. When Ms.
19 Dearwester sent an email to Han, Jayde, and Diab, informing them that LPG clients
20 could not be transferred without the clients' consent, Ms. Dearwester never received a
21 response. [See 1046 Adv. Dk. 493-4, Ex. 13]. In fact, Han and Jayde began telling LPG
22 attorneys that they needed answers quickly on whether the attorneys were "coming to
23 Oakstone." [See 1046 Adv. Dk. 493-4, Exs. 17, 18].

24 In yet another instance of an unauthorized transfer, on February 7, 2023, an
25 attorney forwarded the "welcome email" its client had received from Oakstone. [See
26 1046 Adv. Dk. 493-10, Ex. 26]. The attorney emailed the Trinh sisters and Diab, stating
27

28 ¹⁸ This is especially concerning given Jayde Trinh's status as an attorney.

1 “[i]n another email, I inform you that Illinois clients must consent to the transfer of
2 their files.” [*Id.*]. No response was provided. [*Id.*]. No action was taken.

3 On January 26, 2023, another attorney reached out to Jayde and Han, writing
4 “[i]t seems that his [the client] DPP¹⁹ file has also been completely wiped and we cannot
5 retrieve the necessary documents that we need for his case. He is emailing us for
6 clarification about the email above [client received a “welcome email” from Consumer
7 Legal Group] but we have no idea what to tell him . . .” [*See* Dk. 1099, pg. 9, Ex. 25].

8 The foregoing examples are just a few from the submitted evidence
9 demonstrating Han and Jayde’s personal involvement with Diab, as well as their
10 knowledge and participation in the improper and most likely systematically improper
11 transfer of clients’ files.

12 In addition, Han and Jayde, while working for LPG, concurrently worked for
13 Greyson, as discussed below [Dk. 1124, Decl. Han Trinh, ¶6, 12; Dk. 1125, Decl. Jayde
14 Trinh, ¶ 2, 13] despite vehemently arguing that LPG was a direct competitor of Greyson.
15 [*See, e.g.*, Dk. 290-1, Decl. Han Trinh, ¶33]. This is also despite Han and Jayde claiming
16 no involvement in the transfer of files to entities such as Phoenix, wherein Phoenix then
17 used Greyson attorneys to work on LPG files that were fraudulently transferred. In fact,
18 Han attached to one of her declarations “screenshots of a list of some emails from
19 han@lpglaw.com and legal@lpglaw.com” proving that while allegedly performing
20 “essential work” for LPG, she knew exactly which client files were transferred and to
21 which entity, including Phoenix, which was a pipeline of work for concurrent employer,
22 Greyson. [Dk. 1124, Decl. Han Trinh, Ex. B].

23 **B. The Greyson Entities**

24 On March 9, 2023, Greyson Law Center PC (5561924) (“Greyson One”) was
25 incorporated with the California Secretary of State. [1046 Adv. Dk. 290-1, Decl. Han
26

27
28 ¹⁹ DPP, Debt Pay Pro, is analogous to “LUNA” and “Forth” since these are all client relationship management accounts, which contained information regarding a clients’ data, files, and accounting information.

1 Trinh ¶ 5]. Greyson One came to be in March of 2023, when Scott Eadie, a former LPG
2 attorney, advised Han Trinh that he wanted to create a new organization that had a
3 similar business as that performed by LPG. [1046 Adv. Dk. 47-1, Decl. Eadie, ¶2-3; 1046
4 Adv. Dk. 47-2, Decl. Han Trinh, ¶3]. Greyson One was set up by Mr. Eadie, Eng Taing
5 (“Mr. Taing”), and Han Trinh. [1046 Adv. Dk. 47-1¶ 4]. When discussing the name
6 “Greyson” in a group text message with Jayde Trinh and Mr. Taing, Han stated “your
7 baby’s name, Jayde! Your idea is coming to fruition lol.” [1046 Adv. Dk. 493-11, pg. 24,
8 Ex. O].²⁰

9 Greyson One was seemingly “receiving assistance from Eng Taing, Dongliang
10 Jaing, and Anthony Gabriel.” [1046 Adv. Dk. 47-2, ¶7]. Greyson One was stationed in
11 the office space at 3161 Michelson Drive. [*Id.*]. Greyson One moved into the premises
12 under the impression that the sublease included Greyson One. [*Id.*]. Han and Jayde
13 both supervised the team of Greyson One attorneys.²¹ [*Id.*]. However, restrictive access
14 was put into place only allowing Mr. Taing, Mr. Jaing, Mr. Arthur, and Mr. Gabriel to
15 enter the premises. Therefore, Mr. Eadie claims to have severed ties with Mr. Taing and,
16 according to Mr. Eadie, Mr. Taing closed Greyson One’s bank accounts. [*Id.*, ¶9].
17 Thereafter, Mr. Eadie and Han Trinh opened new bank accounts for Greyson One at
18 Citibank. [1046 Adv. Dk. 47-1, ¶9].

19 Greyson One, however, was short lived as it was dissolved in May of 2023, and
20 the records from the California Secretary of State report Greyson One as “terminated.”
21 [*Id.*; Decl. Kathleen March]. Han Trinh and Mr. Eadie learned of Greyson One’s
22

23 ²⁰ On March 8, 2023, Jayde also sent text messages in which she inquires “Can we spell Greyson with an
24 ‘E’? Grayson with an ‘a’ is fine for my dog but it looks fratty. LOL let me know your thoughts.” [See 1046
Adv. Dk. 493-11, pg. 24, Ex. O].

25 ²¹ On March 21, 2023 (one day post-petition), Greyson One sent employment contracts to several attorney
26 who were previously employed by Debtor, for which the start date was stated to be March 27, 2023. [See
27 Dk. 1105, Decl. Mamlyuk, Ex. 33; *see also* Clarke Dec. Ex. 2; *See also*, Dk. 699, pg.8 (R. Pryun’s Greyson
contract)]. Local counsel R. Reed Pruyn, Israel Orozco, and Shadae Clarke were just three of the attorneys
28 who received employment agreements with Greyson One [*Id.*].

1 dissolution on May 10, 2023. [1046 Adv. Dk. 47-1, ¶9]. When Mr. Eadie and Han Trinh
2 checked online, they then realized that Greyson One's Articles of Incorporation were
3 never applied for under Mr. Eadie's name. [1046 Adv. Dk. 47-1, ¶9]. Therefore, on May
4 12, 2023, Mr. Eadie and Han Trinh filed new Articles of Incorporation when they
5 discovered they could not reinstate the original business (Greyson One). [1046 Adv. Dk.
6 47-1, ¶9]. This is when Mr. Eadie changed the domain name from "Greyson PC" to
7 "GreysonLaw PC" to avoid any further association with Greyson One. [1046 Adv. Dk. 47-
8 1, ¶9].

9 Greyson represents that it is owned 100% by Scott Eadie, Esq., who is identified
10 as the managing attorney and President of Greyson with Mr. Eadie's declarations and
11 various exhibits provided in support. [Dk. 1127, Decl. Scott Eadie dated 2/8/24; Dk.
12 1127, Decl. Scott Eadie dated 3/27/24].²² However, Han Trinh has provided an email to
13 the Court wherein Israel Orozco states that Jayde Trinh serves as the supervising
14 attorney for Greyson. [Dk. 676, Decl. Han Trinh, Exhibit W].

15 Han Trinh and Scott Eadie declare under penalty of perjury that Greyson had no
16 involvement with Tony Diab. [Dk. 676-1, Decl. Han Trinh, ¶20; Dk. 1127, Decl. Scott
17 Eadie dated 2/8/24, ¶8]. Han goes as far as saying she hated Diab, and that Diab had no
18 link to, or part in, Greyson. [Dk. 676-1, Decl. Han Trinh, ¶21]. However, on "May 19,"
19 Tony Diab sent a text message to William "Ty" Carss, Phoenix's principal, stating
20 "[u]ntil we close Greyson, the plan is the following. For any new assignment, email it to:
21 legal@greysonlawpc.com and attorney@greysonlawpc.com Bianca is working on a new
22 flow but for now send all assignments there. As for a card expenses, they will continue
23 using the Greyson card for now." (emphasis added). [1046 Adv. Dk. 493-2, Decl.

24
25
26 ²² Greyson states Mr. Eadie never managed Debtor. Notably, however, exhibits have been provided
27 evidencing Mr. Eadie's involvement in both LPG and Oakstone [Dk. 1105, Exhibit 32; Dk. 1099, Exhibits
28 33, 44, 46, 47]. Oakstone is alleged by the Trustee to be an alter ego of LPG [See 1046 Adv. Dk. 583]. For
instance, there is a letter from Daniel March to Mr. Eadie "to document the agreement" that LPG will
transfer clients to Oakstone" [Dk. 1105, Exhibit 47] and there is an email from Han's LPG email account to
Mr. Eadie attaching the "master client list" which shows numerous clients at the law firm Oakstone [Dk.
1099, Exhibit 33].

1 William ‘Ty’ Carss, Ex. B]. Tony Diab, on “May 23” responded to Mr. Carss’ question
2 “Do we or Greyson have access to a GA attorney?” by answering, “[y]es, greyson does.”
3 [1046 Adv. Dk. 493-2, Decl. William ‘Ty’ Carss, Ex. B]. Yet, Tony Diab declares that
4 “[a]ny discussion I had with any individual at Greyson regarding file transfer was in my
5 capacity as transferor, not transferee, of any file. No file was ever transferred to any
6 Greyson entity by me, even though numerous discussions regarding file transfer took
7 place.” [Dk. 1127, Decl. Diab dated 2/12/24, ¶5e]. Diab clearly had a link to, and part in,
8 Greyson. Han, Jayde, and Diab appear to argue that despite all of their involvement in
9 illegally transferring client files to Phoenix, who then used Greyson to service files, Diab
10 did not have a part in, or say toward, Greyson.

11 Due to the failure of Greyson One, Han Trinh and her “team” were looking for a
12 new office space for Greyson. [1046 Adv. Dk. 47-2, ¶10]. Han Trinh was advised by Wes
13 Thomas, LPG’s former Chief Financial Officer and close associate of Diab,²³ that there
14 was an open office space available where Greyson could use the office space, existing
15 furniture, and existing IT equipment for free. [1046 Adv. Dk. 47-2, ¶10]. That available
16 office space was the prior office of Oakstone, an LPG affiliate. [Dk. 1125, Decl. Han
17 Trinh, ¶27]. The tenant, at that time, of the office space was Phoenix, the recipient of
18 fraudulent transfers from Debtor, who then provided those client files to Greyson to
19 allegedly service. Han Trinh accepted Mr. Thomas’ offer on behalf of Greyson as the
20 Administrator. [1046 Adv. Dk. 47-2, ¶10]. Greyson then moved its office to the free
21 space located at 3345 Michelson Drive, Suite 400B, in Irvine, CA on April 29, 2023.
22 [1046 Adv. Dk. 47-2, ¶10-11].

23 From May 3, 2023, Greyson employed approximately 140 people at the Suite
24 400B location, with 94 of the employees working remotely in California and
25 approximately 60 employees working remotely in other states. [1046 Adv. Dk. 47-2, ¶
26

27 ²³ A Notice that Clerk has Entered Default Against Wes Thomas was entered on August 22, 2023 [1046
28 Dk. 145].

12].²⁴ As of June 2, 2023, however, Greyson only had 48 clients of its own. [1046 Adv. Dk. 47-1, ¶ 11-12].²⁵ To Han and Jayde, however, their most important asset was the “network of attorneys.” Han believes that the “Greyson attorney network belongs to Jayde and [her] alone” and that they “owned” the network of attorneys. [See Dk. 1105, pg. Decl. Shadae Clark, Ex. 5]. Han admits that the Greyson attorney network “were W2 attorneys for LPG until February 2023.” [*Id.*].

As noted *supra*, and detrimental to the credibility of Han and Jayde, at the same time the Greyson entities were incorporated, and operating, Jayde Trinh and Han Trinh were also working for LPG. [Dk. 1124, Decl Han Trinh, ¶6, 12; Dk. 1125, Decl. Jayde Trinh, ¶ 2, 13]. Again, this is despite Greyson, Han Trinh, and Jayde Trinh vehemently arguing that LPG was a direct competitor of Greyson. [See *e.g.*, 1046 Adv. Dk. 290-1, Decl. Han Trinh, ¶33].

III. History of Hearings

The Application was originally set for hearing on January 19, 2024, at 11:00 a.m. [Dk. 675]. That hearing was subsequently converted to a status conference and continued to February 29, 2024, at 11:00 a.m., with a status report due 14 days in advance, pursuant to an order entered January 8, 2024 [Dk. 818]. On February 29, 2024, by tentative, the Court issued a scheduling order and excused appearances; a scheduling order was subsequently entered on March 6, 2024 [Dk. 986], which set the matter for hearing on April 25, 2024, at 11:00 a.m. On April 24, 2024, in consideration of the significant amount of pleadings filed, which contained voluminous exhibits, this

²⁴ Greyson even had an employee, Brad Lee, who worked for Greyson and Phoenix at the same time. [Dk. 1127, Decl. Diab dated 2/12/24 ¶15e].

²⁵ Of the 48 clients, approximately 20 were obtained after LPG clients elected to follow their attorney who “belonged” to Greyson. [1046 Adv. Dk. 47-1, ¶11]. Further, while attorneys who work with Greyson are W-2 employees of Greyson, they typically perform work for other clients wholly outside Greyson for their own private practices. [*Id.*]

1 Court entered a *sua sponte* order continuing the hearing to June 13, 2024 [Dk. 1138].²⁶
2 Further, the Court permitted the filing of additional responsive pleadings.

3 On June 7, 2024, this Court entered an order continuing the hearing to July 17,
4 2024, at 1:30 p.m. [Dk. 1324], noting that “the resolution of ancillary matters filed by
5 Movant’s counsel and which are pending before the Court are necessarily required to be
6 resolved before the Court can rule on the pending applications.”²⁷

7 On June 10, 2024, Greyson, Han Trinh, and Jayde Trinh filed a motion to “un-
8 continue” the June 13, 2024 hearings which the Court had continued to July 17, 2024
9 [Dk. 1335].²⁸ The Court denied the motion to “un-continue” by an order entered June 11,
10 2024 [Dk. 1338].

11 The hearing was held on July 17, 2024, at 1:30 p.m.

12 **IV. Evidence on the Record**

13 **1. The Motion [Dk. 675]**

14 Jayde Trinh filed her Motion for an order granting allowance and payment of
15 administrative claim, pursuant to 11 USC § 503(b)(1)(A)(i) on November 17, 2023 [Dk.
16 675].

21 ²⁶ The hearing was originally set for 10:00 a.m. [Dk. 1138]; it was subsequently changed to 1:30 p.m. [Dk.
22 1306].

23 ²⁷ The other ancillary matters pending before the Court were final resolution of Greyson’s Motion to
24 Compel Production of Document [Dk. 1209], Greyson’s Motion to Vacate the Preliminary Injunction [Dk.
25 749], and both Han Trinh and Greyson’s motions for administrative claims. [Dks. 674, 676].

26 ²⁸ The caption of the motion, with stylistic formatting removed, is: “Notice of Motion and Motion of
27 Greyson Law Center PC, Han Trinh, & Phuong (Jayde) Trinh, for an order un-continuing the hearings on
28 Greyson, Han Trinh’s, & Jayde Trinh’s administrative claim motions, to restore the 6/13/24 at 1:30 pm
hearing date of said motions, which 6/13/24 hearing date was continued from 6/13/24 to 7/17/24, by the
Court’s sua sponte order [Dkt.1324, entered 6/7/24], which is erroneous, and is highly prejudicial to all 3
claimants; alternatively, if 6/13/24 is not convenient for the Court, the Court is requested to reset the
hearing date for any day from 6/14/24 to 6/21/24. Declaration of Kathleen P. March, w/(proposed) order
granting un-continuance, from 7/17/24 back to 6/13/24” [Dk. 1335].

A. Declaration of Jayde Trinh and Exhibits [Dk. 675]

Attached to the Motion is the declaration of Jayde Trinh, Han Trinh, which in turn attached Exhibit A, which is a paystub from LPG for Jayde from February 13, 2023, to February 26, 2023.²⁹

C. Declaration of Han Trinh and Exhibits

Attached to the Motion is also the declaration of Han Trinh, which in turn attaches Exhibit A, a paystub from LPG for Han from February 13, 2023, to February 26, 2023.³⁰

D. Declaration of Kathleen P. March and Exhibits

The Motion also attaches the declaration of Kathleen P. March. Attached to Ms. March's declaration are the following exhibits:

(1) Exhibit A - A portion of LPG's pacer bankruptcy docket, with docket numbers 52 through 167.

(2) Exhibit B - An order from this Court entered on May 8, 2023, approving the U.S. Trustee's application for the appointment of a Chapter 11 Trustee.

(3) Exhibit C - A portion of LPG's pacer docket for adversary 8:23-ap-01046-SC, with docket numbers 1 through 82.

(4) Exhibit D - An order entered by this Court on May 26, 2023, for turnover of estate property and recorded information, preliminary injunction, lock-out, re-direction of United States Parcel Services mail, order to show cause re compliance with court order, and other relief as necessary for efficient administration of this matter.

²⁹ In Jayde Trinh's declaration, Jayde states under penalty of perjury that her paystub attached as Exhibit A to her declaration shows she was paid \$11,538.47 for the pay period of February 13, 2023, to February 26, 2023. However, this appears to be the pay Han Trinh received. Exhibit A shows Jayde was paid \$9,615.39 in gross earnings for that pay period. Jayde also states in her declaration that Exhibit A shows the last paycheck she received from LPG but attached to Exhibit C in Kathleen March's declaration in Dk. 1124 is a paystub for Jayde for February 27, 2023, through March 12, 2023.

³⁰ Han states in her declaration that Exhibit A shows the last paycheck she received from LPG but attached to Exhibit B in Kathleen March's declaration in Dk. 1124 is a paystub for Han for February 27, 2023, through March 12, 2023.

1 (5) Exhibit E – The Trustee’s memorandum of points and authorities in support
2 of his motion for permission to file an omnibus emergency motion, under seal, after
3 service of courtesy copy and after hearing, dated May 25, 2023.

4 (6) Exhibit F - This Court’s order entered on May 26, 2023, granting the Trustee’s
5 motion to seal.

6 (7) Exhibit G - The transcript of pages 33 and 34 of the hearing held before this
7 Court on June 12, 2023, regarding the preliminary injunction and a status conference
8 regarding a case management conference and requiring a status report.

9 **2. The Trustee’s Status Report and Motion to Continue [Dk. 815]**

10 On January 5, 2024, the Trustee filed an Omnibus Status Report Re: Motions for
11 Allowance of Administrative Expense Claims Under 11 U.S.C. §503(B) (“Omnibus
12 Motion”) [Dk. 815]. Therein, the Trustee states his intention to oppose Han Trinh’s
13 administrative claim [Dk. 674], as follows:

14 The claimant is an insider whom Trustee is already suing in this bankruptcy case
15 for avoidance, recovery, and preservation of fraudulent transfers [8:23-ap-
16 01046-SC] (Dk. No. 93). Unless any avoided transfer is repaid, Trustee also
17 contends that any allowed administrative claim would be subject to disallowance
18 under 11 U.S.C. § 502(d).

18 [Dk. 815, pg. 3 of 17].

19 On January 5, 2024, the Trustee filed a motion for an order that (1) initial
20 hearings be status conferences and (2) to continue hearings on merits of motions for
21 allowance of administrative expense claim under 11 U.S.C. § 503(b) [Dk. 816]. It
22 includes a memorandum of points and authorities and the declaration of D. Edward
23 Hays.

24 **3. OHP-CDR, LP and PurchaseCo 80, LLC’s Limited Opposition [Dk.**
25 **817]**

26 OHP-CDR, LP and PurchaseCo 80, LLC filed on January 5, 2024, a limited
27 objection to the motions for allowance and payment of administrative expenses [Dk.
28 817]. It states the two entities object to the administrative expense motions “to the

1 extent that they seek payment of any administrative expenses before resolution of OHP-
2 CDR's and PurchaseCo's secured claims and interests." [*Id.*, pg. 2: 19-21].

3 On January 8, 2024, this Court entered an order granting the Trustee's omnibus
4 motion for an order continuing hearings on the motions for allowance of administrative
5 expense claim under 11 U.S.C. § 503(b) [Dk. 818].

6 **4. Greyson's January 9 Opposition to the Court's Continuance and**
7 **Declarations [Dk. 822]**

8 On January 9, 2024, Greyson, Han Trinh, and Jayde Trinh filed an objection³¹ to
9 this Court's order granting the Trustee's request to continue the January 19, 2024,
10 hearings [Dk. 822]. Attached to the objection are the declarations of Han Trinh, Phuong
11 (Jayde) Trinh, and Kathleen P. March in support of the objection. Attached to Ms.
12 March's declaration are the following exhibits:

13 (1) Exhibit A - This Court's order entered on October 16, 2023, approving a
14 stipulation between the Chapter 11 Trustee, office of the United States Trustee, and the
15 official committee of unsecured creditors to set administrative bar date.

16 (2) Exhibit B - The first notice of administrative claims bar date, which sets the
17 bar date of November 21, 2023.

18 (3) Exhibit C - The transcript for the hearing held for the adversary (8:23-ap-
19 01046-SC) on June 12, 2023, regarding the preliminary injunction and status
20 conference hearing regarding a case management conference and requiring a status
21 report. This transcript includes pages 195 through 211 and page 264.

22 (4) Exhibit D - Two orders from this Court: a stipulated order to dismiss Han and
23 Jayde Trinh, without prejudice, from adversary proceeding 8:23-ap-01046-SC and a
24

25 ³¹ The caption of the Objection, with stylistic formatting removed, is: "(1) Objection of Han Trinh, Jayde
26 Trinh and Greyson Law Center, P.C. to Court having decided Trustee Marshack's motion [Dk. 816, filed
27 1/5/24 and set for hearing on 1/19/24], without allowing Han, Jayde, & Greyson time to file opposition to
28 Trustee's motion, (when Trustee's 'Status Report' to motion makes blatant falsehoods regarding Han and
Jayde); (2) request that Court vacate Court's 1/8/24 [Dkt. 818] order, as granted prematurely; (3) request
that Court re-decide Trustee's motion, in light of this pleading, opposing Trustee's motion; and (4) request
that Court strike Trustee's 'Status Report' [Dkt. 815, filed 1/5/24, which states it is for hearing on 1/19/24
at 11:00am, as an unauthorized pleading, with no admissible evidence." [Dk. 822].

1 stipulated order to dismiss Han and Jayde Trinh, without prejudice, from the second
2 amended complaint of the Trustee, filed October 13, 2023, in adversary proceeding
3 8:23-ap-01046-SC.

4 On January 16, 2024, this Court entered an order overruling the objection and
5 request to strike filed by Greyson, Han, and Jayde on January 9, 2024, as Dk. 822 and
6 denying the relief sought in the objection [Dk. 848].

7 **5. The February Unilateral Reports by the Trustee [Dk. 940] and**
8 **Greyson [Dk. 945] and their Exhibits**

9 On February 15, 2024, the Trustee filed an omnibus unilateral report regarding
10 the status of motions for allowance of administrative expense claim under 11 U.S.C. §
11 503(b). [Dk. 940]. The status report states that the Trustee is investigating and verifying
12 the claim of \$5,134,000 from Greyson. Attached as Exhibit 1 is a letter signed by Ty
13 Carss and addressed to Judith Skiba stating Phoenix has terminated Skiba's contract
14 and has enclosed a refund check.

15 On February 19, 2024, Greyson, Han, and Jayde filed a unilateral status report
16 for the February 29, 2024, hearings [Dk. 945]. The status report attaches the declaration
17 of Kathleen P. March, which attached three emails from Ms. March to Alina Mamlyuk
18 responding to Mamlyuk's requests for information regarding Greyson's, Han's, and
19 Jayde's administrative claims.

20 **6. The Trustee's First Supplemental Declaration of Alex Rubin [Dk.**
21 **1099]**

22 On April 11, 2024, the Trustee filed the Supplemental Declaration of Alex Rubin
23 in Support of Trustee's Oppositions to Administrative Claims Filed by Han Trinh [Dk.
24 674], Phuong "Jayde" Trinh [Dk. 675]; and Greyson Law Center [Dk. 676] ("FSD
25 Rubin") [Dk. 1099]. Attached to FSD Rubin are the following exhibits:

26 (1) Exhibit 23 - An email from Admin to Han and Reid Wood dated January 23,
27 2023, which discusses files being moved.

1 (2) Exhibit 24 - A January 23, 2023, email from Han to Jayde Trinh forwarding
2 Jayde the email contained in Exhibit 23.

3 (3) Exhibit 25 – A January 26, 2023, email from Richard Meier to Admin, Han,
4 and Mario Azevedo forwarding a welcoming email sent to Daniel Wine for having his
5 case transferred from LPG to Consumer Legal Group.

6 (4) Exhibit 26 - An email dated February 7, 2023, sharing an email sent to Arnold
7 saying his case was transferred from LPG to Oakstone Law Group.

8 (5) Exhibit 27 – An email string dated February 8, 2023, between Jayde Trinh,
9 Han Trinh, Reid Wood, and Pamella Moraes regarding a client whose case was
10 transferred to Oakstone Legal Group.

11 (6) Exhibit 28 - An email dated February 9, 2023, from Han to Accounting
12 sharing an email from Anthony Osborn regarding payments. It also includes invoices
13 dated December 1, 2022, and January 3, 2023, from Gehling Osborn Law Firm, PLC.

14 (7) Exhibit 29 - Two emails dated February 13, 2023, from Reid Wood to Han
15 sharing guidelines and scripts on how to answer client questions for being moved to new
16 file groups.

17 (8) Exhibit 30 - An email dated February 23, 2023, from Jayde to Israel Orozco
18 and Han discussing resignations from Samer and Rocio Prado-Garcia. The emails also
19 make light of the resignations and how Vanessa did not feel comfortable.

20 (9) Exhibit 31 - An email dated March 21, 2023, from Admin to Han and Jayde
21 Trinh stating the list attached to the email is the full list of clients transferred to Phoenix
22 and Oakstone. Only one page of each list is included in the exhibit, as the rest are
23 intentionally left out “for brevity.”

24 (10) Exhibit 32 - An email dated March 23, 2023, from Han to Anthony Osborn
25 telling Osborn to send an invoice to admin@oakstonepc.com. This is in response to an
26 email dated March 22, 2023, from Osborn explaining that his wife is battling cancer and
27 that he has tried calling twice regarding an overdue payment of \$35,383.66 to his law
28 firm.

1 (11) Exhibit 33 - An email dated March 23, 2023, from Han to Scott Eadie stating
2 that the attached list is a master client list for clients that “went to CLG.”³² That full list
3 is intentionally not included in the exhibit “for brevity.”

4 (12) Exhibit 34 - An email chain dated April 10, 2023, between Han and Jennifer
5 McLaughlin concerning McLaughlin’s offer letter for “Greystone” and informing
6 McLaughlin that LPG’s work phones were shut off and reactivated on April 10.

7 (13) Exhibit 35 - An email dated April 14, 2023, from Melissa Wilkes to Han
8 inquiring as to when cases were transferred from LPG to Phoenix. It also includes an
9 email discussing disconnection of the phones.

10 (14) Exhibit 36 - An email dated April 24, 2023, from Peter Osterman to Han and
11 Jayde Trinh stating that he does not have email accounts for “CLG” or “PLG” but does
12 have them for “LPG, GLC and OLG.”

13 (15) Exhibit 37 - An email dated May 11, 2023, from Han to Joshua Figueroa,
14 Chance Typhair, and Cayden Cohen, regarding money Paychex is holding. It also
15 includes a CitiBusiness Account Opening Confirmation for Greyson Law Center PC.

16 (16) Exhibit 38 - An email dated May 16, 2023, from Han to
17 ctyphair@paychex.com, aharth@paychex.com, and Cora Devine stating Greyson’s
18 company ID is 16092497.

19 (17) Exhibit 39 - An email chain dated March 21, 2023, between Jayde, Randall
20 Clark, and Han stating Pamella Moraes does not have access to Forth and nor does
21 anyone else because they were locked out. It also states that all files have been moved to
22 different firms and that Legal LPG has access to some of them. There is also a line
23 addressed to Clark that appears to be from “Ty” asking for him to reach out regarding a
24 new venture.

25 (18) Exhibit 40 - An email dated March 29, 2023, from Jayde to Legal and
26 Attorney saying it is Han’s “problem” to talk with Randall Clark about transfers.

27
28 ³² “CLG” is an acronym for Consumer Legal Group, which is alleged by Trustee to be a fraudulent transferee of LPG. [See 1046 Adv. Dk. 583].

1 (19) Exhibit 41 - An email chain dated April 7, 2023, between Jayde and Denise
2 Mikrut regarding the LPG phones.

3 (20) Exhibit 42 - An email chain between Legal, Jayde, and Attorney regarding
4 whether a client can reach out to Oakstone.

5 (21) Exhibit 43 - An email chain dated May 11, 2023, between Jayde and Ana
6 Gurrola regarding “AG complaints” and stating they were shredded.

7 (22) Exhibit 44 - An email from Attorney dated April 26, 2023, instructing
8 employees not to use Oakstone’s Luna and to instead use Greyson’s Luna. It also
9 instructions not to use Fresh Sales and Slack.

10 (23) Exhibit 45 - An email dated March 21, 2023, from Jayde to Daniel March,
11 Admin, and Mona Montiero stating that Mona and Jayde are no longer employed by
12 LPG.

13 (24) Exhibit 46 - An email dated March 23, 2023, from Scott Eadie to Nicole
14 Filtz, Vanessa Buchner, and Carl Summer stating that he believes the mail is being sent
15 to “Dan’s office.” It also discusses files and scans.

16 (25) Exhibit 47 - An email dated April 30, 2023, from Tony Diab to Daniel March
17 stating that attached to the email is an agreement for Oakstone referrals sent to Joon,
18 which also includes that agreement.

19 **7. The Trustee’s Opposition and Evidence [Dk. 1104]**

20 On April 11, 2024, the Trustee filed an opposition to Jayde’s Motion [Dk. 1104].
21 Included is the declaration of D. Edward Hays. Attached to Hays’ declaration are the
22 following exhibits:

23 (1) Exhibit 1 - A transcript of LPG’s 341(a) meeting of creditors held on April 24,
24 2023.

25 (2) Exhibit 2 - A declaration of Han Trinh that was included as Dk. 676-1 in the
26 main case, although the exhibits included in Dk. 676-1 are not attached.

(3) Exhibit 3 - A list of paystubs from LPG for Jayde Trinh for January 16, 2023, to March 12, 2023.³³

8. Jayde Trinh's Reply and Evidence [Dk. 1125]

On April 18, 2024, Jayde Trinh filed a reply ("Reply") to the Trustee Opposition [Dk. 1125]. Attached to the Reply are the declarations of Jayde Trinh, Kathleen P. March, Han Trinh, Tony Diab, Ana Gurrola, Ramona (Mona) Montiero, Denise Mikrut, Collin O. Donner, David Orr, Israel Orozco, Peter Osterman, George Chamberlain, Brenda Mendez, Haley Simmoneau, Linda Prey, Maria Thach, Michael Vu, and Morgan Lee, and Mallory McCarthy.

A. Jayde Trinh Declaration and Exhibits

Attached to the declaration of Jayde Trinh in the Reply are the following exhibits:

(1) Exhibit A - A series of emails dated March 20-22, and 28 of 2023 and April 5, 2023. They are addressed to or sent from "attorney@lpglaw.com." There are also text messages dated March 23, April 25, May 5, May 10, May 24 of 2023.

(2) Exhibit B - A text on March 15, 2023, to "Tony" regarding payroll and a parking invoice addressed to LPG with a due date of March 15, 2023. Jayde's declaration states this exhibit shows she did not know about the LPG bankruptcy until April 2023, as she was attempting to have LPG pay bills [Dk. 1125, Decl. Jayde Trinh, pg. 21, ¶ 28].

(3) Exhibit C - A series of text messages dated February 8, 2023, and February 21, 2023. They discuss certain LPG employees wanting to leave due to stress. Included is a text from Tony Diab indicating there would be a "winding up" happening.

(4) Exhibit D - The Articles of Incorporation, Statement of Information, and Certificate of Dissolution from the California Secretary of State's office for Oakstone Law Group PC.

³³ There appears to be a possible error on a paystub for Jayde Trinh on pages 258 and 259 of 270, as the pay period says February 13, 2023, to March 26, 2023. However, the check date is March 3, 2023. The usual pay period for the other paystubs is two weeks. While the paystub on page 252 says "VOID," the one on page 253 does not.

1 (5) Exhibit E - An email dated December 2, 2020, from the Office of Admissions
2 for the State Bar of California to Jayde Trinh. It states Jayde was approved to practice as
3 a Provisionally Licensed Lawyer effective December 2, 2020, until June 1, 2022, unless
4 extended by the Supreme Court.

5 **B. Kathleen March Declaration and Exhibits**

6 Attached to Kathleen March's declaration in the Reply are the following exhibits:

7 (1) Exhibit A - An email dated February 14, 2024, from Ms. March to Alina
8 Mamlyuk explaining Han Trinh's salary and asking for five documents for discovery. It
9 also includes paystubs from LPG for Han Trinh and Jayde Trinh for January 30, 2023,
10 through February 12, 2023.

11 (2) Exhibit B - An email dated March 4, 2024, from Ms. March to Alina Mamlyuk
12 regarding Han Trinh's pay and includes her paystubs from LPG for June 21, 2021,
13 through March 12, 2023.³⁴

14 (3) Exhibit C - Jayde Trinh's paystubs from LPG for June 21, 2021, through
15 March 12, 2023.

16 (4) Exhibit D - An email from Ms. March to Alina Mamlyuk dated March 4, 2024,
17 asking for Jayde Trinh's W-2 forms for 2023.

18 (5) Exhibit E - An email from Ms. March to Alina Mamlyuk dated February 14,
19 2024, and includes the same materials as Exhibit A attached to Ms. March's declaration.

20 (6) Exhibit F - A request to produce documents dated February 29, 2024, filed by
21 Jayde Trinh and propounded on the Trustee in relation to Jayde's motion for allowance
22 and payment of administrative claim.

23 (7) Exhibit G - A request to produce documents dated February 29, 2024, filed by
24 Han Trinh and propounded on the Trustee in relation to Han's motion for allowance
25 and payment of administrative claim.

26
27
28

³⁴ The possible error referenced in footnote 30 appears here again on pages 69 and 70 of 380 of the Reply.

1 (8) Exhibit H - An email from Ms. March to Alina Mamlyuk dated April 4, 2024,
2 claiming a prior email from Mamlyuk includes incorrect information about the facts. It
3 also provides Ms. March's explanation of events related to this case involving timing.

4 **C. Han Trinh Declaration and Exhibits**

5 Attached to Jayde Trinh's declaration in the Reply are the following exhibits:

6 (1) Exhibit A - A paycheck printout from Paychex which Han's declaration states
7 demonstrates that LPG had five active employees as of June 2, 2023 ("Daniel March,
8 Olga Esquivel, Phuong Trinh (Jayde), Carl Wuestehube, and Han Trinh"). [Dk. 1124,
9 Han Reply Decl., ¶ 7].

10 (2) Exhibit B – Han's declaration describes this as "screenshots of a list of some
11 emails from han@lpglaw.com and legal@lpglaw.com" showing "a large volume of LPG
12 work" that Han Trinh and her team were doing from March 20, 2023, through June 2,
13 2023. [Dk. 1124, Han Reply Decl., ¶ 8].

14 (3) Exhibit C – A screenshot from the website "elitelegalpractice.com" showing a
15 description of Richard Meier. It says Meier is a consumer litigation attorney, and it lists
16 the jurisdictions in which he is admitted.

17 (4) Exhibit D - A screenshot from the website "elitelegalpractice.com" showing a
18 description of Yasmeen Villamil and of Rosy Prado, who are both legal assistants.

19 (5) Exhibit E – A Notice to Vacate from the Orange County Sheriff's Department
20 for the occupant at 17542 E. 17th Street, Suite 105, Tustin, CA 92780. The occupant was
21 notified that the property was to be turned over by May 30, 2023.

22 (6) Exhibit F - A receipt of an order for a cargo van for use on May 19, 2023, in
23 Costa Mesa.

24 **D. Declaration of Israel Orozco and Exhibits**

25 Attached to the declaration of Israel Orozco's in the Reply are the following
26 exhibits:
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28

1 (1) Exhibit A - An email from Richard Meier to Orozco dated February 9, 2023,
2 stating that day was Meier's last. Orozco's declaration states Meier was an attorney at
3 LPG [Dk. 1125, Israel Orozco Decl., pg. 328, ¶ 8].

4 (2) Exhibit B - An email dated February 15, 2023, from Richard Meier to various
5 LPG email accounts providing cases that needed substitutions.

6 **9. The Trustee's Sur-Response and Evidence [Dk. 1320]**

7 On June 6, 2024, the Trustee filed a "sur-response to Han Trinh's reply to
8 Trustee's opposition to motion of Phuong (aka Jayde) Trinh for allowance of
9 administrative expense claim." [Dk. 1320].³⁵ Included are the declarations of Alina
10 Mamlyuk and D. Edward Hays in support thereof. Attached is Exhibit I, which is an
11 email exchange between Alexander Harth and Alina Mamlyuk. Mamlyuk inquired if
12 Paychex could see who logged into the Paychex portal through LPG, and Harth
13 responded Paychex does not keep track of when users log in.

14 **10. The Court's Order Continuing the Hearing [Dk. 1324]**

15 On June 7, 2024, the Court entered an Order continuing the hearings on the
16 administrative claims of Greyson Law Center PC [Dk. 676], Han Trinh [Dk. 674], and
17 Phuong (Aka Jayde) Trinh [Dk. 675] which, *inter alia*, ordered that no further pleadings
18 were permitted to be filed in connection with the administrative claims absent further
19 order from the Court [Dk. 1324].

20 **V. Discussion**

21 At the hearing held on July 17, 2024, Counsel for Greyson requested that this
22 Court review the declaration of Daniel March [1046 Adv. Dk. 501], which was not
23 included in Jayde's Motion but has been filed within this Court's bankruptcy docket. The
24
25
26

27 ³⁵ The Trustee's reference to Han Trinh in the caption appears to be an error as the pleading,
28 substantively, is a sur-response to Jayde's Reply.

1 Court understands it can review its own dockets and advises that it has examined the
2 Declaration.³⁶

3 As stated by the United States Supreme Court, “[i]n the exercise of its equitable
4 jurisdiction the bankruptcy court has the power to sift the circumstances surrounding
5 any claim to see that injustice or unfairness is not done in administration of the
6 bankrupt estate.” *Pepper v. Litton*, 308 U.S. 295, 307-08, 60 S. Ct. 238, 246 (1939). The
7 Court in *Pepper v. Litton* further held:

8 [W]hen there is added the existence of a “planned and fraudulent scheme,” ... the
9 necessity of equitable relief against that fraud becomes insistent. No matter how
10 technically legal each step in that scheme may have been, once its basic nature
11 was uncovered it was the duty of the bankruptcy court in the exercise of its equity
12 jurisdiction to undo it. Otherwise, the fiduciary duties of dominant or
13 management stockholders would go for naught; exploitation would become a
14 substitute for justice; and equity would be perverted as an instrument for
15 approving what it was designed to thwart.

16 *Id.*, at 312.

17 The Court now understands through the records of the State Bar of California
18 that Mr. March, days after he swore within his declaration that he was a member in
19 good standing with the State Bar, attempted to resign from the State Bar, and was later
20 disbarred by the State Bar, allegedly for behavior with respect to activities of Debtor. Mr.
21 March failed to mention in his declaration that, while he was attesting to the fact that he

22 ³⁶ See, Request for Judicial Notice of Actions of State Bar of California filed by the Trustee as Docket 64 in
23 Adv. No. 8:23-ap-01098, of which the Court takes judicial notice. “[T]he Court can take judicial notice of
24 the documents filed in the Cases . . . [and] the Adversary Proceeding . . . *Tuma v. Firstmark Leasing Corp.*
25 (*In re Tuma*), 916 F.2d 488, 491 (9th Cir. 1990) (noting that a court may take judicial notice of its own
26 docket).” *King v. Exp. Dev. Can. (In re Zetta Jet USA, Inc.)*, 644 B.R. 12, 25 (Bankr. C.D. Cal. 2022). “The
27 Court may not, however, infer the truth of the facts stated in those documents. *In re Harmony Holdings,*
28 *LLC*, 393 B.R. 409, 413 (Bankr. D.S.C. 2008) (indicating that bankruptcy judges may take judicial notice
of bankruptcy court records but may not ‘infer the truth of the facts contained in documents, unfettered
by rules of evidence or logic, simply because such documents were filed with the court’).” *Id.* The Court
may, however, take judicial notice of facts in the public record “not subject to reasonable dispute that are
capable of accurate and ready determination by resort to sources whose accuracy cannot reasonably be
questioned.” *Kihagi v. City of San Francisco*, 2016 U.S. Dist. LEXIS 5651, *7-8 (USDC NDCA 2016). *See*
also, Talos v. Spearman, 2018 U.S. Dist. LEXIS 16943, *1 (USDC CDCA 2018) (Court took judicial notice
of attorney’s state bar admission status). In this case, the truth of the offer of State Bar resignation and
then the disbarment of Mr. March is accepted by the Court.

1 was a member of good standing at the time he signed the declaration, he was under
2 active investigation for looting millions of dollars of client money from Debtor.

3 For the reasons set forth below, after consideration of all the pleadings filed in
4 connection with the Motion, as well as the docket as a whole, the Court finds that Jayde
5 Trinh has failed to meet her burden to establish a *prima facie* administrative claim
6 against the Estate.

7 **A. Administrative Claims**

8 Section 503(b)(1)(A)(i) provides in relevant part that, after notice and a hearing,
9 there shall be allowed administrative expenses for the actual, necessary costs and
10 expenses of preserving the estate including, wages, salaries, and commissions for
11 services rendered after the commencement of the case. “The terms ‘actual’ and
12 ‘necessary’ are to be construed narrowly and ‘must be the actual and necessary costs of
13 preserving the estate for the benefit of its creditors.” *Einstein/Noah Bagel Corp. v.*
14 *Smith (in Re Bce W.*, 319 F.3d 1166, 1173 (9th Cir. 2003) (citing *AMTRAK v. Dant &*
15 *Russell, Inc. (In re Dant & Russell, Inc.)*, 853 F.2d 700, 706 (9th Cir. 1988). This narrow
16 construction implements a presumption that a bankruptcy estate has limited resources
17 which should be equally distributed among creditors. *Boeing N. Am., Inc. v. Ybarra (In*
18 *re Ybarra)*, 424 F.3d 1018, 1026 (9th Cir. 2005).

19 Bankruptcy courts have broad discretion in deciding whether to allow an
20 administrative expense.³⁷ *Microsoft Corp. v. DAK Indus. (In re DAK Indus.)*, 66 F.3d
21 1091, 1094 (9th Cir. 1995). The purpose of administrative priority status is to encourage
22 third parties to do business with the bankruptcy estate for the benefit of the estate as a
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25 ³⁷ A bankruptcy court's decision to award or deny administrative expense claims is reviewed for abuse of
26 discretion. *Microsoft Corp. v. DAK Indus. (In re DAK Indus.)*, 66 F.3d 1091, 1094 (9th Cir. 1995). Courts
27 apply a two-part test to determine if the bankruptcy court has abused its discretion. *United States v.*
28 *Hinkson*, 585 F.3d 1247, 1251 (9th Cir. 2009) (en banc). First, the Court determines *de novo* whether the
bankruptcy court identified the correct legal rule to apply to the relief requested. *Id.* Second, if the
bankruptcy court correctly applied the legal rule, then its factual findings are examined for clear error. *Id.*
The bankruptcy court's factual findings are affirmed unless it is determined that those findings are "(1)
'illogical,' (2) 'implausible,' or (3) without 'support in inferences that may be drawn from the facts in the
record.'" *Id.* at 1261-1262, n. 21-22.

1 whole. *Boeing N. Am., Inc. v. Ybarra (In re Ybarra)*, 424 F.3d 1018, 1026 (9th Cir.
2 2005) (citations omitted).

3 The claimant has the burden of proving by a preponderance of evidence that it
4 has an administrative expense claim. *See In re Blanchard*, 547 B.R. 347, 352 (Bankr.
5 C.D. Cal. 2016) (internal citation omitted). In order to limit abuses of the
6 administrative-expense priority, the court requires a claimant “to show that the debt: (1)
7 arose from a transaction with the debtor-in-possession and (2) directly and substantially
8 benefitted the estate.” *In re L. Scott Apparel*, 2019 Bankr. LEXIS 1303, 211 (Bankr. C.D.
9 Cal. Jan. 29, 2019) (citing *Abercrombie v. Hayden Corp. (In re Abercrombie)*, 139 F.3d
10 755, 757 (9th Cir. 1998)); *In re DAK Indus., Inc.*, 66 F.3d 1091, 1094 (9th Cir. 1995).

11 **VI. Analysis**

12 Jayde has not met her burden to establish that she has an administrative claim
13 under § 503(b)(1)(A).

14 **A. Wages**

15 Jayde asserts she is owed \$52,884.64 in salary for 11 weeks of post-petition work
16 performed for Debtor. To obtain administrative expense status, Jayde needs to establish
17 that her work “directly and substantially benefitted the estate.” *In re DAK Indus.*, 66
18 F.3d at 1094. Jayde has failed to establish by a preponderance of the evidence that she
19 worked for Debtor post-petition; further, Jayde has not met her burden to establish that
20 work performed, if any, was for the benefit of the Estate.

21 The Motion asserts that Han and Jayde “were essential employees of LPG,
22 because Han and Jayde were the LPG employees who administered approximately
23 28,000 active litigation files of LPG clients, including hiring, managing, assigning, and
24 monitoring performance of attorneys to represent LPG clients, for clients whose matters
25 were not resolved short of law suit.” [Dk. 674, pg. 3:26-pg. 4:2]. Jayde states in her
26 declaration that she and Han continued to do the “essential” work for LPG,
27 administering thousands of active litigation files for 11 weeks post-petition, and
28 continued to respond to emails sent to LPG every day from LPG’s clients. According to

1 Jayde, between March 20, 2023, and June 2, 2024, there was an increased volume of
2 communications to which Jayde and her team had to respond, compared to before
3 March 20, 2023, when LPG filed bankruptcy. Jayde asserts that LPG benefitted from
4 her work because, by her “fielding all the client and attorney communications from
5 3/20/23 to 6/2/23, kept LPG’s client base from falling apart – which allowed Trustee
6 Marshack to sell the LPG client files, in July 2023, for many millions of dollars.” [Dk.
7 1125, Decl. Jayde Trinh, ¶23].

8 The Court notes, however, as discussed further *infra*, the evidence provided by
9 Jayde does not establish that Jayde performed work, post-petition, for LPG that
10 benefitted the Estate. Movant repeatedly asserts that she was an “essential employee” of
11 LPG though she provides very little detail and evidence as to what work she performed
12 post-petition, let alone how it benefitted the Estate. Jayde attaches to her Reply, as
13 Exhibit A, what Jayde declares “are documents showing [she] was working after
14 3/21/23.” [Dk. 1225, Decl. Jayde Trinh, ¶ 10]. Exhibit A, however, only contains limited
15 information. It contains 6 pages of emails dated March 20-22, March 28³⁸ of 2023 and
16 April 5, 2023, which are addressed to or sent from “attorney@lpglaw.com.” This is
17 insufficient to establish beyond a preponderance of the evidence that Jayde was
18 performing work for LPG post-petition and or that it benefitted the Estate. Also attached
19 to Exhibit A are 5 pages of screenshots of certain text messages dated March 23, April
20 25, May 5, May 10, May 24 of 2023. These texts are also insufficient to establish by a
21 preponderance of the evidence that Jayde was performing work for LPG post-petition or
22 that it benefitted the Estate.

23 To obtain administrative expense status, Movant needs to establish that work
24 “directly and substantially benefitted the estate.” *In re DAK Indus.*, 66 F.3d at 1094.

25 In Han’s declaration attached to the Reply as Exhibit B, she states that there “are
26 screenshots of a list of some emails from han@lpglaw.com and legal@lpglaw.com
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28

³⁸ Pages 25 and 26 of Exhibit A, showing an email dated May 28, appear to be duplicate pages.

1 proving that my team and I were doing a large volume of LPG work, from 03/20/23
2 thru 06/02/23 and “proving that Jayde and [Han] never stopped working for LPG until
3 the lockout.”³⁹

4 The screenshots contained on the first 34 pages of the exhibit reflect an inbox
5 folder for “H,” presumably Han Trinh. The remaining 26 pages of email snippets are
6 from the “Sent” folder for “L.” However, very little information or context is given to the
7 screenshots of the emails. The only information the snippets provide is the title of the
8 sender, partial subject lines, and a snippet of the beginning portion of the body of the
9 email.⁴⁰ While the screenshots of emails combined with Jayde’s evidence of pre-petition
10 paystubs show that Jayde worked *under the banner of LPG* (meaning, she used LPG
11 emails) for 11 weeks post-petition, it is unclear how, if at all, Jayde’s work benefitted the
12 Estate.⁴¹

13 The screenshots of emails received by and sent by Han do not provide convincing
14 evidence of work performed by Jayde, nor are they evidence that Jayde performed work
15 for the benefit of the Estate. To the contrary, the emails evidence Jayde’s knowledge of
16 the ongoing schemes being carried out by LPG. In the “sent” folder for “L” the following
17 emails were sent to “Attorney,” known to be Jayde:

20
21 ³⁹ The Court finds it troubling that Jayde throughout her pleadings asserts she simultaneously worked for
22 LPG and Greyson as Greyson has vehemently argued that it is a direct competitor of LPG. Jayde admits
23 that she was employed by Greyson and LPG at the same time. [Dk. 1125, Decl. Jayde Trinh, ¶13]. If
24 Greyson and LPG were direct competitors, how could Jayde permissibly work at both simultaneously
25 regardless of whether Jayde had “plenty of time” to work at both. [*Id.*].

26 ⁴⁰ The screenshots of the emails appear to have been made on a phone.

27 ⁴¹ The Court notes that the Trustee argues that if Jayde is determined to have worked for LPG, she should
28 be regarded as an insider as a “person in control of the debtor.” The Trustee makes this assertion to argue
that as Jayde’s claim would therefore be disallowed as she did not comply with the requirements of
seeking insider compensation. The Trustee first raises this argument in his sur-response, authorized by
this Court, filed June 6, 2024 [Dk. 1320]. The Court, however, did not permit any filings in response to
the sur-response by Movant. The Court deems the insider argument waived for purposes of this Motion,
as no new facts were alleged in the Reply, compared to the Motion, that would not have alerted the
Trustee to raise the argument in the Opposition if applicable. If the Trustee wishes to re-raise this theory
at a future time, Jayde will be able to address this issue straightforwardly.

1 (1) An email dated June 2, 2023, stating "[t]he new complaint attached is for a
2 CLG transfer. No file was in litigation. CL was with LPG since 1/31/22..." [Dk. 1125,
3 Decl. Han Trinh, Exhibit B, pg. 263 of 380].

4 (2) An email dated May 22, 2023, stating "Oakstone then to Phoenix." [*Id.* at pg.
5 275].

6 (3) An email dated May 18, 2023, stating "Oakstone transfer but no longer
7 showing up. So maybe Phoenix now." [*Id.* at pg. 278].

8 (4) An email dated May 17, 2023, "[i]t is a Phoenix transfer." [*Id.* at 280].

9 (5) An email dated May 10, 2023, stating "[t]his client is with CLG" [*Id.* at 288].

10 (6) Two emails dated May 4, 2023, stating "Phoenix Client" [*Id.* at 289].

11 These emails demonstrate Jayde's awareness that files had been transferred away
12 from LPG, which transfers are alleged by the Trustee to be a part of a fraudulent transfer
13 scheme. These emails also suggest that Jayde, as an attorney, was therefore aiding non-
14 debtor entities, such as Phoenix, Oakstone, and CLG, by working on files that had
15 already been transferred out of Debtor's possession. Further, for files that were
16 transferred to Phoenix, Jayde, as an employee of Greyson, knew Greyson was receiving
17 files from Phoenix to service.

18 For cases transferred to Oakstone, though Debtor was supposedly contracted to
19 received 20% of the revenue from funds recovered [See Dk. 1099, Ex. 47] the client files
20 were transferred without client approval; this violates the professional rules of conduct,
21 which was brought to Jayde's attention by concerned attorneys. [See, *e.g.*, Dk. 1099, Ex.
22 26 (an email stating, "[i]n another email, I inform you that Illinois clients must consent
23 to the transfer of their files.")] Therefore, Jayde's involvement in furthering these
24 unethical activities far from benefitted the Estate, but instead increased its potential
25 liability to malpractice claims.

26 Declarations filed in support of Jayde's Motion state that Jayde was told that LPG
27 was beginning to wind up and files that were disappearing from LPG were files that had
28 already been transferred to other law firms that could better serve the clients. [See *e.g.*,

1 Dk. 1125, Decl. Han, ¶17; Decl. Israel Orozco, ¶4]. Regardless of the truth of this
2 assertion, it does not change the fact that Jayde has not demonstrated that her work
3 benefitted the Estate, as outlined above. The evidence provided in support of the Motion
4 fails to establish, on a quantifiable basis, that work performed by Jayde benefitted the
5 Estate.

6 The evidence submitted in support of the Trustee's Opposition further
7 demonstrates that, contrary to establishing that her work benefitted the Estate, Jayde
8 may have exposed the Estate to liability for her actions.

9 The Trustee, in the declaration of Alex Rubin filed in support of the Opposition,
10 attaches certain emails wherein Jayde is involved in communications discussing the
11 transfers of files out of Debtor's possession (or been made aware of by Han). [See Dk.
12 1099, Ex. 24]. For example, on February 8, 2023, Jayde forwarded an email from
13 Pamella Moraes (from an email associated with Randall Clark) inquiring about a client's
14 "[t]ransition to Oakstone Legal Group" to Han Trinh and Reid Wood [*Id.*, Exhibit 27].
15 On March 21, 2023, an email was sent from "Admin" to Jayde and Han stating "[t]his
16 shows all clients that ended up at Phoenix and at Oakstone" with "FullList" attached
17 [*Id.*, Exhibit 31]. On March 21, 2023, Jayde sent an email to Randall Clark and Han
18 stating "[a]ll files have been moved to different law firms. Legal LPG has access to some.
19 Randall – please provide a number so we can reach out regarding new venture. Ty!" [*Id.*,
20 Exhibit 39]. A "new venture" has nothing to do with working for LPG and definitely not
21 work which was for the benefit of the Estate.

22 There is also an email from Han to Jayde and lpgcounsel@lpglaw.com, dated
23 April 7, 2023, wherein Han states "Hello Counsels, I've email everyone in their Greyson
24 email re [phones]. Please respond there. Thank you!" [*Id.*, Exhibit 35]. In yet another
25 example, an email dated April 24, 2023, from Peter Osterman was sent to Han and
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1 Jayde Trinh stating that he does not have email accounts for “CLG” or “PLG” but does
2 have them for “LPG, GLC⁴² and OLG.”

3 In an email chain between Han and Jayde and others, Jayde in response to
4 whether “Legal” can inform a client to cancel out from Phoenix and reach out to
5 Oakstone to sign up, states “I’m pretty sure we can but it’s not Oakstone.” This is
6 evidence of work being performed by Jayde which was detrimental to the Estate, as
7 discussed further below. [*Id.*, Exhibit 42]. On April 26, 2023, Jayde sent an email to
8 numerous LPG employees⁴³ states:

9 Effectively immediately, please do NOT use the Oakstone's CRM, Luna. You (and
10 your staff) should be able to access Greyson's CRM Luna (Version 2 - more
11 advanced). It is the same website, except replace the OS with GS in the beginning
12 of the web link. All information and data should be in there - old and new. You
13 should be able to log in using the same Oakstone's Luna credentials for Greyson's
14 Luna. Please note that there is a chance Luna 2 will not allow you to log in due to
information being ported in the morning so you may have to wait until the
afternoon.

15 [*Id.*, Exhibit 44]. Once more, this evidence shows Jayde working for who she
16 characterizes as a direct competitor, Greyson, through her LPG email account.

17 The foregoing emails demonstrate Jayde’s direct and indirect involvement in the
18 transfers of files and looting of LPG to the benefit of non-debtor entities, showing that
19 work performed was not for the benefit of the Estate.

20 Jayde’s response to the Trustee’s Opposition is unavailing. Jayde, in her
21 declaration filed in support of the Reply, states “I never participated, in any way, in
22 transferring LPG client files to other Law Firms or in transferring LPG money anywhere.
23 Nor did LPG send any LPG client files and legal service agreements or LPG money, to
24

25 ⁴² GLC is known to be Greyson.

26 ⁴³ The “to” line reads: Scott Eadie; Aaron Davis; Amy Ginsburg; Ashley Lambert-Bland; Attorney; Collin
27 Donner; David Orr; Denise Mikrut; Douglas Stiele; George Chamberlain; Haley Simmoneau; Israel
28 Orozco; Jayde Trinh; Kenneth Merriweather; Kent Cobb; Laronda Kelley; Melissa Wilkes; Peter
Osterman; R. Reed Pruyn; Robert Williams; Tiffany Cornelius; Vincent Jackson; Kelly Adams; Kamaria
Womack; R. Reed Pruyn; Shadae Clarke; rmastenlaw@gmail.com; Jhosselinne Ramirez Gonzalez.

1 Greyson Law Center PC.” [Dk. 1125, Decl. Jayde Trinh, ¶19]. Yet, the emails provided by
2 the Trustee clearly show otherwise.

3 Movant also provides the Court with a paystub from LPG for Jayde, pre-petition,
4 with a pay period of February 13, 2023, to February 26, 2023. [Dk. 675, Decl. Jayde
5 Trinh, Ex. A]. However, pre-petition pay stubs are not sufficient evidence of post-
6 petition, actual, necessary costs and expenses of preserving the Estate. Although wages
7 or a salary earned pre-petition may be probative evidence on an administrative claim,
8 the claimant must still prove the value of the benefit to the Estate by a preponderance of
9 the evidence. *Boruff v. Cook Inlet Energy LLC (In re Cook Inlet Energy LLC)*, 583 B.R.
10 494, 498 (B.A.P. 9th Cir. 2018) (citations omitted). For the reasons stated *supra*, Jayde
11 has failed to prove the value of the benefit to the Estate by a preponderance of the
12 evidence, and pre-petition paystubs do not support the argument that she performed
13 work for the benefit of the Estate in these circumstances.

14 Jayde also states the work she performed allowed the Trustee to sell the LPG
15 client files, in July 2023, for many millions of dollars. This assertion is unfounded and
16 unsupported. The benefit to the Estate must be actual, not potential. *In re Allen Care*
17 *Ctrs.*, 163 B.R. 180, 188 (Bankr. D. Or. 1994). First, the order approving the sale (“Sale
18 Order”) [Dk. 352] reflects in relevant part that the aggregate purchase price for the
19 property involved “shall be the sum of Five Million Five Hundred Thousand Dollars
20 (\$5,500,000)”. [Dk. 352, pg. 31]. In addition to the foregoing, “the buyer shall pay a
21 fee equal to: (a) fifty percent (50%) of all amounts collected by Buyer on Active
22 Executory Contracts ... from and after the Closing, plus (b) forty percent (40%) of all
23 amounts collected by Buyer on Inactive Executory Contracts.” [*Id.*]. No convincing
24 evidence to support the assertion that the Trustee would not have been able to complete
25 a sale without Jayde has been provided.

26 Second, approximately 20,000 files that were a part of the Sale were files that
27 were recovered by the Trustee, from Phoenix, through the stipulation resolving an
28 avoidance action. This had nothing to do with alleged work performed by Jayde, but

1 rather the efforts of the Trustee to recover the files. In addition, the Trustee had to seek
2 a temporary restraining order and preliminary injunction against alter egos of LPG, and
3 other entities and individuals, to preserve Estate assets and stop the continuing
4 transfers of files to non-debtor entities.

5 Further, Jayde has not established that she is entitled to, on a quantum meruit
6 basis, a pro rata rate of her pre-petition salary with Debtor. As noted *supra*, Jayde's pre-
7 petition salary is not dispositive when determining the benefit of services rendered to an
8 estate. *See In re Cook Inlet Energy LLC*, 583 B.R. 494 (B.A.P. 9th Cir. 2018) (collecting
9 cases). Jayde's evidence shows minimal work performed (a handful of emails) which is
10 insufficient.

11 Jayde has not met her burden that she performed work, post-petition, which
12 benefitted the Estate. The evidence provided lends to the conclusion that work
13 performed was *possibly*, at times, for the benefit of the Estate, but at most times was for
14 the benefit of a third party, which does not entitle Jayde Trinh to an administrative
15 claim. *See Data Leverage, LLC v. Avery (In re Data Leverage, LLC)*, 640 B.R. 210, 217
16 (C.D. Cal. 2022) (citing *In re Sierra Pac. Broads.*, 185 B.R. 575, 578 (B.A.P. 9th Cir.
17 1995)). The clear issue for Movant is a sliver of work performed that was *possibly* for the
18 benefit of the Estate does not meet the standard for entitlement to an administrative
19 claim.

20 Thus, Jayde has failed to establish, by a preponderance of the evidence that she
21 has an administrative claim. She has not met her burden to demonstrate that she
22 performed work which benefitted the Estate, as required.

23 **B. Penalties**

24 Jayde asserts she is owed \$28,846.15 in penalties for not being paid final wages
25 in a timely manner.

26 California Labor Code § 203(a), in relevant, part provides that if an employer
27 willfully fails to pay, without abatement or reduction, any wages of an employee who is
28 discharged or who quits, the wages of the employee shall continue as a penalty from the

1 due date thereof at the same rate until paid, but the wages shall not continue for more
2 than 30 days.

3 No legal authority was provided by Movant as to why the penalty is an
4 administrative expense; however, the Court recognizes that penalty wages are entitled to
5 administrative priority as a cost of doing business. *See Gonzalez v. Gottlieb (In re Metro*
6 *Fulfillment, Inc.)*, 294 B.R. 306 (B.A.P. 9th Cir. 2003). Nevertheless, as Jayde has failed
7 to establish that she is entitled to an administrative claim for alleged wages owed, she is
8 likewise not entitled to the penalties sought.

9 **C. Accrued Vacation**

10 Jayde asserts she is owed \$31,094.35 for accrued vacation.

11 California Labor Code § 227.3 states, “[u]nless otherwise provided by a collective-
12 bargaining agreement, whenever a contract of employment or employer policy provides
13 for paid vacations, and an employee is terminated without having taken off his vested
14 vacation time, all vested vacation shall be paid to him as wages at his final rate.”

15 Again, no legal authority is provided as to why accrued vacation is entitled to be
16 treated as an administrative claim. Accrued vacation pay should be given administrative
17 priority only to the extent that it is for compensation for services rendered post-petition.
18 *In re Roth Am., Inc.*, 975 F.2d 949, 958 (3d Cir. 1992) (citing *In re Health Maint.*
19 *Found.*, 680 F.2d 619, 622 (9th Cir. 1982)). As Jayde has failed to demonstrate that she
20 performed work for the benefit of the Estate which would entitle her to an
21 administrative claim, she cannot have an administrative claim for alleged accrued
22 vacation hours.

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1 **VIII. Conclusion**

2 The Court, for the reasons stated above, finds that Jayde has failed to meet her
3 burden to establish entitlement to an administrative claim. The Motion is DENIED.

4 **IT IS SO ORDERED.**

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25 Date: August 27, 2024


Scott C. Clarkson
United States Bankruptcy Judge